



## Information Paper: Claiming Flat Rate Per Diem when Using a Privatized Lodging Facility

### Introduction

The billing practices of some privatized lodging facilities may result in incorrect charges for some travelers who are authorized flat rate per diem for stays over 30 days. This document explains:

1. How a lodging provider's billing actions lead to incorrect charges
2. What you should do when creating your DTS authorization and voucher
3. What you should do if you are incorrectly charged for lodging

### Lodging Provider's Actions

Some privatized lodging providers initially charge the full daily room rate (Figure 1), even if you will be TDY over 30 days. The examples below show a room that costs \$75 per night **1** in a location with a \$92 per day per diem rate (which becomes \$69 per day on day #31).

Day	Daily Charge	Total Due	Paid To Date	Credit
1	<b>1</b> \$75	\$75	\$75	\$0
2	\$75	\$150	\$150	\$0
3	\$75	\$225	\$225	\$0
//Days skipped//				
29	\$75	\$2,175	\$2,175	\$0
30	\$75	\$2,250	\$2,250	\$0

Figure 1: Room Charges & Payments up to Day #30

On day #31, the provider drops the daily charge to the 75% per diem rate (Figure 2) **2**, if that rate is lower than their standard daily room rate, beginning on day 2, per JTR, par. 4250-A. This lowers the total amount due **3**, but doesn't affect the amount you already paid **4**. At this point, you may have overpaid due to the reduced daily lodging rate **5**. If so, you temporarily stop paying for your room **6**, because the provider deducts your daily room charges from the amount of your credit **7** instead.

Day	Daily Charge	Total Due	Paid To Date	Credit
1	\$75	\$75	\$75	\$0
2	<b>2</b> <del>\$75</del> \$69	<b>3</b> <del>\$150</del> \$144	<b>4</b> \$150	<del>\$0</del> <b>5</b> \$6
3	<del>\$75</del> \$69	<del>\$225</del> \$213	\$225	<del>\$0</del> \$12
//Days skipped//				
29	<del>\$75</del> \$69	<del>\$2,175</del> \$2,007	\$2,175	<del>\$0</del> \$168
30	<del>\$75</del> \$69	<del>\$2,250</del> \$2,076	\$2,250	<del>\$0</del> \$174
31	\$69	\$2,145	<b>6</b> \$2,250	<b>7</b> \$105

Figure 2: Daily Charge Changes on Day #31



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### Lodging Provider's Actions

Once your credit balance is \$0 **8**, you must start making payments again **9** (Figure 3).

Day	Daily Charge	Total Due	Paid To Date	Credit
//Days skipped//				
31	\$69	\$2,145	\$2,250	\$105
32	\$69	\$2,214	\$2,250	\$36
33	\$69	\$2,283	<b>9</b> \$2,283	<b>8</b> \$0
34	\$69	\$2,352	\$2,352	\$0

Figure 3: Paying Off the Credit

This sequence repeats, starting on day 181 when the per diem rate drops to 55%.

### Creating the Authorization

When creating your authorization, you must ignore the way the lodging provider will actually charge for your room. Instead, make sure the Per Diem Entitlements screen reflects the 75% or 55% flat rate for full day after day 1 (Figure 4).

Date	Location	Edit	Reset	Ldg Cost	Ldg Allowed	M&IE Allowed	Per Diem Rate	Code	B	L	D	Qtrs
04/18/16	HELENA, MT	> Edit	> Reset	\$75.00	\$75.00 GOVCC-Individual	\$48.00 Personal	92 / 64	NONE				
04/19/16	HELENA, MT	> Edit	> Reset	\$69.00	\$69.00 GOVCC-Individual	\$48.00 Personal	92 / 64	SPEC				
04/20/16	HELENA, MT	> Edit	> Reset	\$69.00	\$69.00 GOVCC-Individual	\$48.00 Personal	92 / 64	SPEC				
04/21/16	HELENA, MT	> Edit	> Reset	\$69.00	\$69.00 GOVCC-Individual	\$48.00 Personal	92 / 64	SPEC				

Figure 4: The 75% Per Diem Rate Reflected in DTS

### Ensuring Correct Daily Charges

**VERY IMPORTANT NOTE:** You are responsible for making sure the hotel correctly charges you during your stay. On Day #31 and Day #181, you should contact the front desk to make sure the provider correctly changed your billing to the 75% or 55% rate.



## Explaining Lodging Under- or Over- payments

Sometimes when you check out of the lodging facility, the amount the AO authorized for your lodging reimbursement may be higher or lower than the actual room cost. Here's how (the examples below refer to the scenario described above):

1. **You can be underpaid on your authorization:** Let's say your organization ended your mission after only 29 days. The lodging provider never lowered the daily room rate to \$69, so the total room cost was \$2,175. However, you are only eligible to be reimbursed the \$2,007 the AO originally authorized for lodging, leaving you \$168 short. See the Section "Reflecting Underpayments in DTS" below.
2. **You may overpay for the room:** Now we'll assume you checked out on day 32, after the lodging provider adjusted your daily rate to \$69, but before your credit balance was \$0. According to the scenario, you overpaid \$36 for your room. See the Section "Handling Overpayments" below.

## Reflecting Underpay- ments in DTS

If you are underpaid, the good news is that if the lodging facility charged according to their usual policy and you had no say in when you arrived or departed, you can claim reimbursement for the costs you incurred over the authorized per diem rate. To claim that reimbursement, just follow these extra steps before you sign your voucher:

1. Enter the amount you were underpaid on the Non-Mileage Expenses screen, as expense type **Cancel Fee – Hotel** (Figure 5).

Defense Travel System  
A New Era of Government Travel

RETURN TO LIST

Itinerary Travel Expenses Accounting Additional Options Review/Sign

Non-Mileage Mileage Per Diem Entitlements Substantiating Records

**Non-Mileage Expenses**

Use this screen to enter non-mileage expenses for your travel document. Select an expense type, or, if you cannot find the appropriate expense type, enter a description in the box provided. Select "Save Expenses" to save the expenses to the travel document.  
Reminder: CTO Fees are a reimbursable expense to the traveler when the transportation costs are charged to your Individual Government.

**Expenses Summary**

Expense Type	Date	Cost	E/R
Cancel Fee - Hotel	04/22/2016	\$168.00	Edit Remove
Total Expenses:		\$168.00	

Figure 5: Hotel Cancel Fee Reflected in DTS

2. Document the reason you incurred the underpayment in the **Justification to the Approving Official** text field next to the "Possible Excessive Expense" flag that appears on the Pre-Audit Trip screen (Figure 6). Make sure you identify the party who ordered or approved your early departure, since you can't claim reimbursement for this fee unless the reason for the change was mission essential.



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The screenshot shows the 'Pre-Audit Trip' screen in the Defense Travel System. The top navigation bar includes links for Itinerary, Travel, Expenses, Accounting, Additional Options, and Review/Sign. Below this is a secondary bar with Preview, Other Auths., Pre-Audit (highlighted), and Digital Signature. The main content area is titled 'Pre-Audit Trip' and includes a 'Help for this screen' link. A yellow box contains instructions about flagged items and a link to a memorandum. Below this, a red banner states '2 Items have been Flagged in this Travel Document'. A table lists the flagged items, with the first item highlighted. The table has three columns: Reason Flagged, Item Description, and Justification to Approving Official. The first item is flagged for 'POSSIBLE EXCESSIVE EXPENSE' with a description of a cancel fee exceeding a threshold. The justification field is empty and highlighted with a red box.

Reason Flagged	Item Description	* Justification to Approving Official <a href="#">Help</a>
POSSIBLE EXCESSIVE EXPENSE	THIS EXPENSE EXCEEDS THE STANDARD THRESHOLD AMOUNT -> Cancel Fee - Hotel > 0.0	

Figure 6: Possible Excessive Expense Pre-Audit Flag for Cancel Fee

## Handling Overpay- ments

When you have overpaid for your room, you must ask the lodging provider to refund the overpaid amount.

1. In most cases the lodging provider will be happy to reimburse you, likely by sending a credit to your travel card account. If that happens, there is no longer an overpayment, so you don't need to do anything special. Simply complete your voucher as you normally would.
2. However, if the lodging provider refuses to reimburse you for any reason, contact the Travel Assistance Center at 1-888-Help-1-Go (435-7146) or via a Travel Explorer help ticket. The TAC will relay your situation to those who can ensure that you receive your entitled refund.

For more information on creating authorizations or vouchers, see [Chapter 2](#) or [Chapter 4](#) of the DTS Document Processing Manual.